

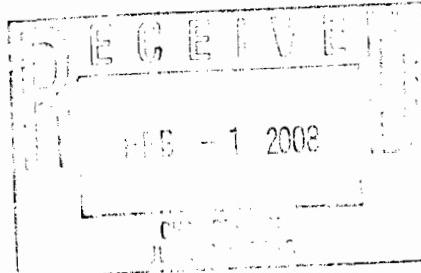


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February 1, 2008



Via facsimile (212) 805-6382

The Honorable Victor Marrero  
United States District Judge  
Southern District of New York  
United States Courthouse  
500 Pearl Street  
New York, New York 10007

Re: John Hogan v. JPMorgan Chase & Co.  
(U.S. Dist. Ct., S.D.N.Y., 07 Civ. 8563 (VM) (AJP))

Your Honor:

Pursuant to the Court's January 17, 2008 Notice of Initial Conference, I am writing this joint letter on behalf of Plaintiff and Defendant in the above-entitled action. The requested information is set forth below.

I also am writing to request that the conference scheduled for Friday, February 8, 2008 at 9:45 a.m. be adjourned and, if possible, be rescheduled for Friday, February 15, 2008 at 9:45 a.m. In another matter that I am handling regarding an income tax audit by the City of Wilmington, Delaware, I have been asked to attend a meeting on February 8, 2008 at 10:00 a.m. at the Mayor's office in Wilmington. Due to the number of people from the City of Wilmington and from JPMorgan Chase who will be attending that meeting, it will be extremely difficult to reschedule that meeting. I appreciate the Court's consideration of this request. Plaintiff's attorney consents to this request.

(1) PLAINTIFF'S CLAIMS

Plaintiff was employed by defendant from 1988 until February, 2007, most recently as an Underwriter I. This case arises from plaintiff's participation in an Executive Masters of Business

Administration ("EMBA") Program during the period of his employment with defendant. At issue is whether plaintiff is obligated to pay back to defendant a loan made by defendant to plaintiff pursuant to an EMBA Education Loan Agreement. Defendant has demanded payment of the full amount alleged to be owed to it by plaintiff pursuant to the Loan Agreement (\$115,480.18) which provides that the loan amount then outstanding becomes immediately payable "upon the voluntary or involuntary termination of [plaintiff's] employment with [defendant]."

Plaintiff commenced this action alleging breach of contract, breach of the covenant of good faith and fair dealing, declaratory judgment and damage to professional reputation and good standing as a result of being unfairly forced out of his employment with defendant. Specifically, plaintiff alleges that defendant engaged in a series of acts designed to cause plaintiff to leave his employment with defendant in order to trigger the repayment provision of the EMBA Education Loan Agreement and that these acts were done in breach of the EMBA and the covenant of good faith and fair dealing. Plaintiff's claim with respect to damage to his professional reputation stems from defendant's purposefully poor performance appraisals which plaintiff alleges were unfounded and designed to limit plaintiff's job opportunities within defendant's work force. These poor performance appraisals, combined with below average wage increases and bonuses are indicia to those in the community in which plaintiff is employed that plaintiff is a poor performer relative to his experience and years in the industry.

#### **DEFENDANT'S DEFENSES AND CLAIMS**

Plaintiff, desirous of furthering his education, developing his professional background and qualifications, and enhancing his position within JPMorgan Chase Bank, was approved for participation in JPMorgan Chase & Co.'s EMBA Program. Upon such approval, Plaintiff voluntarily entered into an agreement with Defendant that provided that should Plaintiff voluntarily terminate his employment with JPMorgan Chase during Plaintiff's participation in the EMBA Program, or during the three year period following completion of the Program, Plaintiff would pay Defendant the full amount of the loans made to him immediately and without the necessity of notice or demand. Plaintiff completed the EMBA Program in September 2005. Plaintiff then voluntarily resigned from his employment with JPMorgan Chase in January 2007, less than three years later.

Plaintiff claims that he was subjected to poor performance appraisals, and received less than average incentive compensation awards and salary increases, as part of a plan to force him to resign in order that JPMorgan Chase could recover the approximately \$115,000 it loaned him under the EMBA Program. Hogan's most recent performance appraisal prior to his resignation, as well as his salary increase and incentive compensation award, however, were positive and reflected his manager's assessment that his performance had improved since the previous two years.

Accordingly, Plaintiff will not be able to establish that Defendant acted in any way in breach of the EMBA Loan Agreement, or any other term and condition of Plaintiff's employment, or that it injured his professional reputation and standing. Moreover, the evidence will establish that Plaintiff, having voluntarily terminated his employment less than three years after completion of the EMBA Program, had no valid basis for failing to repay the loan to

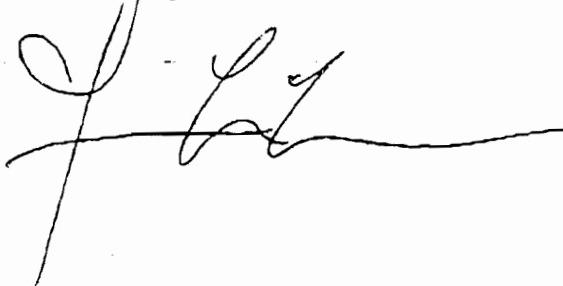
JPMorgan Chase. Therefore, pursuant to Defendant's Counter-claims, Plaintiff should be required to repay the EMBA Loans in full, immediately.

(2) No motions are contemplated at this time although both parties anticipate that motions for summary judgment may become appropriate at the conclusion of discovery.

(3) The parties have engaged in preliminary settlement discussions and are currently in the process of determining whether the matter may be settled.

(4) The parties do not consent to proceed for all purposes before the Magistrate Judge designated for this action.

Respectfully,



FLL

cc: Harry Weinberg, Esq. (via fax)

Request GRANTED. The <u>initial</u> conference herein is rescheduled to <u>2-15-08</u> at <u>9:00A.M.</u>	
SO ORDERED.	
2-4-08 DATE	 VICTOR MARRERO, U.S.D.J.